

PSJ3

Exhibit 36

Analgesic Franchise – Business Development Update

<u>Company/Source</u>	<u>Product Description</u>
1. University of Kentucky & Inhalation Technology, Inc	Analgesic Inhaler

October 3, 2000

Discussions between U. of K./I.T.I. and J&J have taken place and interest level is high. I have spoken with Eric Lang about the technology and he thinks it has a good deal of application. The I.T.I. product is a single and multi-dosed device at was tested with Hydromorphone. I.T.I. will begin Phase III clinical testing in the 4Q 2000. I.T.I. believes that all of the clinical studies required to support their 505(b) application should be completed within 12 months. A major concern is that there is no facility to manufacture the product at this time. I.T.I. is looking for Venture Capital to build the manufacturing facility.

This is a product would compete for the Stadol NS (BMS) business which is worth ~\$100MM. Stadol NS goes off patent on August 7, 2001. BMS currently promotes Stadol NS in the third position with a sales force of 130 reps.

I met with Jennifer to help develop assumptions for a forecast and she and I plan to meet to review the forecast the week of Oct. 2-6. I will also put together a product profile and test it in market research in early November to validate our assumptions and forecast.

<u>Company/Source</u>	<u>Product Description</u>
2. Pain Therapeutics, Inc.	Morphine compound with lower constipation side effects

October 3, 2000

Eric Lang and I met with P.T.I. on September 19th to build a better business relationship with Remi Barbier, CEO, and Ed, Business Development Director. We plan to meet again before the American Pain Society meeting to review their new data from a Phase II clinical program. P.T.I. will present this data at the APS meeting in Atlanta. Our goal is to license this compound and complete the Phase III clinical program and file the NDA. This project is approximately 2 ½ years away from approval.

November 2, 2000

Eric and I met with PTI again in Atlanta to see their new data. It is still very early stage development and not as good as it should or could be at this point in time.

Eric is working to get people lined up to do animal studies to see if the concept is correct before we continue our pursuit of PTI.

January 4, 2001

Eric Lang informed me that Theo Meert had performed "tail flick" study in rats to demonstrate the effect of PTI's analgesic theory and the study failed. We will contact Marc Kamin to review PTI's data to see if he has any additional thoughts on our next steps.

	<u>Company/Source</u>	<u>Product Description</u>
3.	Knoll Pharmaceuticals	Entire pain franchise

October 3, 2000

Forecast for their current products have been given to Patrick Verheyen on September 25th without any feedback from Patrick. The goal is determine if we should pursue making an offer to Knoll to sell us their current and future product line of analgesics.

Contact with George Vergis and Jordan Paulik of Knoll was made in November 2000. Knoll is interested in discussing co-promotional opportunities with us. They would discuss OMP co-promoting to office based physicians with Vicoprofen and Dilaudid CR (when approved). Abbott is currently co-promoting Vicoprofen and Dilaudid to hospital based physicians for Knoll.

Strategy meetings and follow-up calls need to be set up and made in the near term. This will definitely effect Project Pearl.

January 2, 2001

Abbott has recently purchased Knoll Pharmaceuticals

	<u>Company/Source</u>	<u>Product Description</u>
5.	Grunenthal (Project Mirror)	Opioids

October 3, 2000

Negotiations are still on going with Grunenthal to license five new compounds. PRI has recommended Grunenthal do additional studies to validate what they are saying about each compound. Interest in these compounds is high.

CG5503 or BN200

Less potent than Morphine, but more potent than tramadol

Inhibits uptake of norepinephrine

Phase II in humans

Highly Centrally Active – may cross Blood Brain Barrier very quickly
Side Effects were high – respiratory depression,
dizziness
Less nausea & vomiting than tramadol
½ life a little longer than tramadol

There were methodological problems in studies

Comparable to morphine in acute pain

Rob Medve's recommendation is to not continue with compound due to toxicity problems

Grunenthal is doing additional studies with lower doses (rapid IV bolus)

Oral doses would be higher – may be better tolerated in oral doses

GRT0151Y or BN112

This is a Racemic compound

Mu and Noragonergic and serotonergic compound

More potent in nociceptive and neuropathic pain

97% orally bioavailable

- IV doses will be same as oral doses

Longer ½ life than tramadol

M1 metabolite ½ life longer than parent compound

TID or BID doses possible

Less convulsion than tramadol

BN202

More potent than morphine

No animal nausea or vomiting

Most promising looking compound

Phase: preclinical

BN990

Nicknamed – “Oral Fentanyl”

Very high potency

Less Respiratory Depression

BN906

Serotonergic as an SSRI

Good Neuropathic agent

Some antidepressant effect

I will take the lead from a commercial standpoint. I will work with Rene Lestram and Jeff Mathis.

<u>Company/Source</u>	<u>Product Description</u>
6. Project TNT	Tramadol/Topiramate Combination

October 3, 2000

Toxicokinetic findings: a 2 to 4-fold increase in Cmax and AUC for tramadol (M1 also is increased) was seen in male rats treated with tramadol and topiramate in combination as compared to those treated with tramadol alone. The effect seems dose-related as the increase in tramadol levels is less pronounced when topiramate is administered in combination.

A Drug-Drug Interaction study will begin in mid-November to ensure there is no interaction between tramadol and topiramate. Top-line results of this study should be available by the mid-February. The following is a schedule of events for this project:

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|----|------------------------------------|------------------|
| 1. | DDI top-line results | Mid-Feb 2001 |
| 2. | Submit pre-IND Backgrd Package | Mid-Apr 2001 |
| 3. | Conduct pre-IND Meeting | Mid-May 2001 |
| 4. | Submit IND | End of June 2001 |
| 5. | Start the Proof of Concept studies | End of July 2001 |

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January 5, 2001

A presentation to the Strategic Franchise Committee has been scheduled for January 22, 2001 at PRI to get approval for POP (proof of principle) studies.

January 23, 2001

TNT Project Team presented to the SFC to request an addition \$6MM, but was rejected. The Project Team has to work with the \$2.1MM they were originally granted. I plan to take the lead from a commercial standpoint.

<u>Company/Source</u>	<u>Product Description</u>
7. Purdue Frederick	Palladone, Buprenorphine patch, Project Pearl

October 3, 2000

Project Pearl has been initiated to see if J&J and Purdue can work together to create a pain franchise. Discussions have taken place and we are waiting for Pearl to get back to us with a straw man design. We continue to work with Pearl on ULTRAM SR. Pearl is also waiting to get approval for Palladone (Hydromorphone SR). Buprenorphine patch is still under clinical development by Purdue in the U.S., but it has been reviewed and approved in EU.

<u>Company/Source</u>	<u>Product Description</u>
8. PRI	ULTRACET Suspension

Formulation issues concerning the sweetening components have been resolved after consulting with McNeil Consumer. ULTRACET Suspension is using the same formulation as McNeil Consumer's Tylenol products. ULTRACET Suspension will come in grape flavor also. The primary difference will be that ULTRACET Suspension will be colorless. This will help consumers distinguish between Tylenol Suspension and ULTRACET Suspension. All other components (caps, bottles, unit dose, etc.) have been ordered and are also being tested for stability.

Bioequivalence and Adult phase III studies will begin in February 2001. Studies will be completed and the filing will go to FDA by end of December 2001. Anticipated approval is October 2002.

Pediatric phase III studies will begin in April 2001 and a targeted date to conclude should be September 2001. The filing should go to FDA by end of December 2001. Anticipated approval is October 2002.

<u>Company/Source</u>	<u>Product Description</u>
OMP/PRI	ULTRACET Tablets ES

November 17, 2000

OMP has asked PRI (Phil Lane) to come up with a time line for new strengths of ULTRACET Tablets: 75mg/650mg (tramadol/APAP), 75mg/325mg (tramadol/APAP) and 37.5mg/500mg (tramadol/APAP)

<u>Company/Source</u>	<u>Product Description</u>
9. SkyPharma (Project Twins)	Hydrocodone SR

October 17, 2000

Met with Eric Lang yesterday and he informed me that J&J has looked at two products from SkyPharma and Eric is very interested. He said one is a hydrocodone SR product and the other is a combination hydrocodone/acetaminophen SR product. He will be meeting with John Buckingham today to review these products.

I will follow-up with Eric in the next two weeks.

November 30, 2000

We are interested in working with SkyPharma, but we are still evaluating this company vs Alza. SkyPharma's products are Hydrocodone SR (schedule II) stand-alone product and a combination Hydrocodone (5,10,15 mg) plus acetaminophen (350mg) SR.

Project Twins will be presented to the SFC to get permission to do Due Diligence. Jeff Mathis will take the lead from a commercial standpoint.

<u>Company/Source</u>	<u>Product Description</u>
10. ALZA	

Alza called David Norton and asked if J&J would be interested in looking at their hydrocodone SR product again. Negotiations with a competitor have been dragging on for too long. An evaluation of the ALZA and SkyPharma products will take place in the next few weeks to determine how we proceed.

J&J have decided not to work with Alza on their hydrocodone SR product.

<u>Company/Source</u>	<u>Product Description</u>
10. Pharmacia (Project Rose)	COX-2 products not under development

Eric will contact Pharmacia to see if there is any interest in licensing any of the COX-2 inhibitors that Pharmacia feels they cannot develop due to financial resource limitations.

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January 29, 2001

Guy Vercauteren will be the lead contact from L&A working with Patrick Verheyen

Victor Hartmann is the lead contact at Novartis

J&J is only one of the companies that Novartis plans to talk to on this compound

The U.S. forecast is complete and being reviewed by Lou, Joe, Ray, and Chuck

Need to complete review and send forecast to Don Holmes by next week

Due by 3rd Week of February:

Market Analysis (streng

Guy has not been successful in getting any data from Novartis

Due to the lack of information, the following are assumptions only:

Novartis may be looking for a co-promotional partner that has the ability to help with Phase IV studies

Novartis will expect to get a quid and money in exchange for signing a deal

Company/Source

Product Description

OMP/PRI

Tramadol/COX-2 combination

November 30, 2000

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January 5, 2001

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Company/Source

Product Description

ADOLOR

Reduced Constipating Opioid
Reduce Post-Operative Ileus product

November 30, 2000

Eric Lang discussed the work that is on-going with ADOLOR and it's product development program. J&J is interested in discussing the opportunity to market their product that will reduce post-operative ileus. The post-operative ileus product is in Phase III. The reduced constipating opioid product is in phase I.

Adolor is looking for a partner that will market both products and help develop the opioid combination product.

January 5, 2001

Eric Lang and a group from Janssen presented the data on Adolor's fixed combination opioid product to Per Petersen and they got approval to do Due Dilligence.